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ARIZONA CORPORATION COMMISSION

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July 12, 2007

Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Arizona Corporation Commission
Phoenix, AZ 85007

Re: In the Matter of the Application of Pine Water Company for Approval to (1) Encumber a Part of its Plant and System Pursuant to A.R.S. § 40-285(A); and (2) Issue Evidence of Indebtedness Pursuant to A.R.S. § 40-302(A); Docket No. W-03512A-07-0362.

Dear Colleagues:

As you know, Pine Water Company has filed an Application for approval of financing of the proposed new K-2 well to be located in Strawberry, Arizona, pursuant to A.R.S. § 40-285(A) and A.R.S. § 40-302(A).

On May 3, I attended a Town Hall meeting in Pine with Chairman Gleason and Commissioner Pierce during which a number of Strawberry and Pine residents voiced their opinions on this and other water supply issues in their communities. In addition, since the filing of the financing Application, we have received a number of emails and letters expressing a diverse range of opinions on the K-2 well proposal.

As a result, I believe that the K-2 well financing Application by Pine Water Company should receive a hearing, to allow members of both communities to participate in the proceedings if they so wish, and to give Commissioners the opportunity to ask additional questions regarding the planned K-2 well, including but not limited to how water from the well would be dedicated between the two communities.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes".

Kris Mayes
Commissioner

cc: Lyn Farmer
Brian McNeil
Chris Kempley
Heather Murphy
Parties to the Docket